



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

## THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3010

JUN 4 2004

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
COMMANDER, USTRANSCOM  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF  
DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF  
DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Unused Airline Tickets and Improper Payments for Airline Tickets

- References: (a) GAO audit 04-398, DoD Travel Cards – Control Weaknesses Led to Millions of Dollars Wasted on Unused Airline Tickets March 2004 (draft).  
(b) GAO Report 04-576, DoD Travel Cards - Control Weaknesses Resulted in Millions of Dollars of Improper Payments April 2004.

The recently completed General Accounting Office (GAO) audits of the DoD Travel Cards Program at references (a) and (b) identified weaknesses in DoD's overall internal controls, policies and procedures that are used to preclude improper airline ticket payment on travelers' vouchers and to process refunds for unused airline tickets. The two audits specifically recommended that the performance standards in existing Commercial Travel Office (CTO) contracts be reviewed and strengthened. They also recommended that the Government Travel Offices' (GTO) existing internal control processes and procedures be reviewed and strengthened where appropriate.

Oversight of CTO daily operations is the responsibility of the DoD Components. While the long-term solutions to the GAO findings will be incorporated in the automated Defense Travel System (DTS), the DoD Components must take immediate steps to review then modify as necessary, existing CTO contracts to ensure that performance standards for identifying and then processing refunds for unused electronic tickets

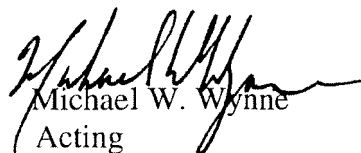


(e- tickets) and unused paper tickets are addressed in their CTO contracts. Standards are listed at attachment 1. For new contracts and those being renewed, the proposed contracts must be coordinated with the Program Management Office, Defense Travel System prior to contract award.

In addition, the internal controls, policies, and procedures of the GTOs should be reviewed and strengthened to ensure that CTO compliance with these requirements can be properly monitored thereby enabling the GTOs to accurately validate Bank of America invoices. The validation process must include the reconciliation of unused paper tickets and e-tickets refund requests processed by the CTOs with Bank of America invoices. In addition, the DoD Comptroller provided instructions to military and civilian personnel on the disposition of unused airline tickets and reimbursable travel claims at attachment 2.

The Commander, USTRANSCOM, as the proponent for the Defense Transportation Regulation (DTR), DoD 4500.9, will perform a comprehensive review of that portion of the DTR that addresses unused tickets. This review and the resulting changes to the DTR will be accomplished in coordination with the DoD Components and ensure that government procedures for identification and processing of unused tickets as well as the marking of tickets issued against CBAs are established. Interim policy and procedural changes to the DTR will be promulgated by the Commander, USTRANSCOM.

Components are requested to advise my point of contact within 90 days from the date of this memorandum as to the CTO contracts that were reviewed; the modifications, if any, that were made; and the updates to internal control procedures. My point of contact is Mr. Roy Brooks. OADUSD(TP), E-mail address: [roy.brooks.ctr@osd.mil](mailto:roy.brooks.ctr@osd.mil), tel no: 703-601-4461 ext 114.

  
Michael W. Wynne  
Acting

Attachments:  
As stated

## Standards

1. Systematically identify unused tickets.
2. Maintain a daily log of all unused tickets.
3. Provide the Government an unused ticket report.
4. Cancel unused tickets 30 days after the scheduled travel date.
5. Process unused ticket refund requests with the airlines.
6. Provide the Government Transportation Office copies of all requests for refunds that have been processed.
7. Mark electronically or manually all travelers' itineraries with tickets purchased using a centrally billed account (CBA) as "Ticket charged to a centrally billed account - Non-Reimbursable to the traveler."
8. Stop printing the complete centrally billed account number on travel itineraries and other documents.
9. Notify the Government Transportation Office of all airline ticket transactions that have potential discrepancies in authorization or billing.
10. Receive e-mail travel authorizations from and send e-mail ticket confirmations to ".mil" or ".gov" addresses only.